

VZCZCXRO7875  
PP RUEHGR  
DE RUEHWN #0654/01 1091401  
ZNR UUUUU ZZH  
P 191401Z APR 06  
FM AMEMBASSY BRIDGETOWN  
TO RUEHC/SECSTATE WASHDC PRIORITY 2299  
INFO RUCNCOM/EC CARICOM COLLECTIVE PRIORITY

UNCLAS SECTION 01 OF 02 BRIDGETOWN 000654

SIPDIS

SENSITIVE  
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E.O. 12958: N/A

TAGS: [EAGR](#) [ELAB](#) [ECON](#) [PREL](#) [PGOV](#) [KPAO](#) [SC](#) [XL](#)  
SUBJECT: ST. KITTS SUGAR TRANSITION - JOBS AVAILABLE,  
WORKERS AVAILABLE, WHAT'S THE CATCH?

REF: A. 05 BRIDGETOWN 2490

[1](#)B. 05 BRIDGETOWN 785

[1](#)1. (SBU) Summary: According to the St. Kitts Sugar Transition Team, there are around 700 former sugar workers still unemployed and about 600 available hotel jobs. (Note: St. Kitts ended its centuries-old sugar industry in 2005, after decades of financial losses at the state-run sugar company. End Note.) Most of the sugar workers, however, lack the qualifications and interpersonal skills to work in the tourism sector. The workers want to preserve their rural lifestyle and the Transition Team may be overindulging them by trying to create agricultural jobs instead of retraining the workers for available hotel positions. Tourism, not agriculture, drives the St. Kitts economy and creates most new jobs. The Transition Team may have to take a harder line with the sugar workers and make it clear what they can (hospitality training) and cannot (secure agricultural employment) offer. End Summary.

[1](#)2. (U) Embassy's PAO invited Cornell University Professor Gary Fields, a renowned Labor and Development Economist, to Barbados to give a lecture and share his expertise with various groups. As part of his visit, Dr. Fields participated in a March 22 conference call with members of the St. Kitts Sugar Transition Team and other interested parties in St. Kitts. The two-hour discussion focused on the problems with retraining sugar workers for tourism jobs. The Kittitian participants did not think such retraining would be possible, while Dr. Fields, drawing on his experience in other developing countries, encouraged the Kittitians to give it a try. PAO, Pol/Econ, FCS, and USAID all participated on the USG side of the call.

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Who Still Needs a Job?  
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[1](#)3. (U) Gordon Alert, head of the Sugar Transition Team, led the discussion on the St. Kitts side. He said that of the original 1500 sugar workers, 300 were from Guyana and the Dominican Republic and had since returned to their home countries. Of the remaining 1200, 200 retired and 230 have found new jobs, leaving 770 or so still unemployed. Alert said the sugar factory workers and office staff had the easiest time finding new jobs while the agricultural workers had more difficulty.

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Where Are the Jobs?  
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[1](#)4. (U) The Sugar Transition Team conducted a thorough study of the available jobs in St. Kitts in the tourism sector, coming up with a list of around 600 jobs. In response to Dr. Fields's question on what jobs are available, Alert read the detailed list to the group during the conference call. The

vast majority of the jobs were "front of the house" jobs such as waiters/waitresses and desk clerks, meaning that the employee would interact face-to-face with hotel customers. Only a small number of jobs were "back of the house," such as cooks, cleaners, and landscapers. (Note: What the Transition Team failed to mention is that several new hotels and resorts are under construction, and the former sugar workers may be well-suited to jobs on those building sites. End Note.)

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Labor Mismatch  
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15. (U) The St. Kitts participants in the call repeatedly characterized Dr. Fields's assertion that the sugar workers should be retrained for hotel jobs as "simplistic." They offered reasons such as the sugar workers' lack of education and poor aptitude for service jobs, their desire to stay in agricultural work, inadequate public transport between the hotels and villages, opposition to working shifts or late at night, and lack of adequate day care for working mothers. Dr. Fields pointed out that most of these problems (except for a low aptitude for service industry jobs) could be overcome. He also argued that it would be easier to work through these issues than to create new agricultural enterprises and turn all the former sugar workers, who have been employees their entire lives, into entrepreneurs.

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Transition Team's Plan  
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16. (U) The Transition Team intends to take jobs to the

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workers instead of workers to the jobs. This means creating agricultural employment instead of retraining workers to fill existing hotel jobs. The Team plans to parcel out small plots of former cane fields for the sugar workers to grow food crops. The workers will then, in theory, sell this food to hotels and cruise ships. While an excellent idea, no organization exists to market and distribute the locally grown food. In addition, the Team proposes to keep growing some cane to help retain topsoil. This cane will be used to make ethanol for local use and possibly for export. (Note: The high cost of sugar production could lead to prohibitively expensive ethanol. St. Kitts also does not have the economies of scale to compete with sugar giants like Brazil in making ethanol. End Note.)

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Comment  
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17. (SBU) St. Kitts' "bring jobs to the workers" approach may run into problems. The present and future of St. Kitts is in tourism and services. The faster the labor force adapts to that reality, the stronger and more resilient the local economy will become. That said, the Kittitians have a point that it is difficult to turn an uneducated, introverted, sugar worker into a bright, cheery, presentable resort employee up to a world-class standard of service. The workers, however, may have no other choice but to try for service industry jobs once their severance pay runs out. As Professor Fields observed during the call, "Economic desperation can be a powerful motivator."

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